

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



March 30, 2005

**NOTICE TO ALL CARRIERS WHO PROVIDE UNIVERSAL LIFELINE
TELEPHONE SERVICE (ULTS)**

The Telecommunications Division (TD) is issuing this notice to establish the Household Income Limitation (HIL) requirement for the Universal Lifeline Telephone Service (ULTS) for 2005. Section 5.2.1. of General Order (GO) 153, adopted by Resolution T-16591 dated February 21, 2002, requires the Telecommunications Division (TD) to adjust the HIL requirement for the ULTS annually to reflect inflation based on change in the Federal Consumer Price Index – Urban Area (CPI-U) by April 15, 2005. Further, Section 5.2.1 of GO 153 orders the Director of the TD to communicate new income levels to carriers in a letter within 5 business days of the adjustment being made. The Commission further directs the TD to order carriers to file revised tariffs effective June 1 of each year reflecting the new income levels.

The calculation to determine the change in the income limitation for the ULTS is set forth in Appendix A of this letter. Following this process, the TD has determined the revised income limits to be as follows:

<u>Household Size</u>	<u>Income Limitation</u>
1 – 2	\$ 20,600
3	\$ 24,300
4	\$ 29,200
Each Additional Member	\$ 4,900

These income limits are effective from June 1, 2005 through May 31, 2006.

Pursuant to Section 5.2.1 of GO 153, please file revised tariffs with the Telecommunications Division reflecting the income levels noted above by **May 20, 2005**, **specifying that tariffs will become effective June 1, 2005.**

If you have any question regarding this notice, please contact **Hassan Mirza at (415) 703-1638, e-mail mhm@cpuc.ca.gov.**

Sincerely,

Jack Leutza

Jack Leutza , Director
Telecommunications Division

APPENDIX A

Method of Computing Revised Income Eligibility Levels for ULTS for 2005

	A	B	C	D
<u>HOUSEHOLD MEMBERS</u>	<u>FACTOR</u>	<u>OLD LEVEL</u>	<u>RAW</u>	<u>ROUNDED</u>
1 or 2	1.027	\$20,100	\$20,643	\$20,600
3	1.027	\$23,700	\$24,340	\$24,300
4	1.027	\$28,400	\$29,167	\$29,200
EACH ADDITIONAL MEMBER				\$4,900

NOTE: (**) New levels have been rounded to the nearest \$100.

Rules for Computing Income Levels (As set forth in Resolution T-16010, dated June 11, 1997)

1. The prior period income levels are multiplied by a factor of one plus the inflation factor derived from the February 2005 issue of the "The U.S. Economy." (Col. A x B = C). The inflation factor to be used is the "final" CPI-U for the prior year.
2. All income level amounts are rounded to the nearest \$100. If the raw number ends in 50 or greater, it should be rounded to the next higher \$100. Examples: 17,509=17,500; 17,569=17,600.
3. The percentage increase factor is three digits to the right of the decimal. Examples: 2.0%=.020; 8.5%=.085.
4. The amount for "Each Additional Member" should be rounded to the difference between 3 and 4 household members. If the rounding differs, the amount for "Each Additional Member" should be set to the difference between 3 and 4 household members.